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7 UNITED STATES DISTRICT COURT
8 WESTERN DISTRICT OF WASHINGTON
9 AT SEATTLE

10 FEDERAL TRADE COMMISSION,

11 Plaintiff,

12 v.

13 DPS ACTIVITY PUBLISHING, LTD., a
14 Canadian corporation, also doing business as
HEALING HANDS BUSY BOOK,

15 DAVID P. SUGGITT, individually and as an
16 officer and director of DPS Activity Publishing,
Ltd.,

17 TABEA SUGGITT, individually and as a
18 director of DPS Activity Publishing, Ltd., and

19 MARY ANN WILSON-RENNICK, also
20 known as MARY ANN WILSON, individually
and as an officer and/or employee of DPS
Activity Publishing, Ltd.,

21 Defendants.

CIVIL ACTION NO.

**COMPLAINT FOR PERMANENT
INJUNCTION AND OTHER
EQUITABLE RELIEF**

22 Plaintiff, the Federal Trade Commission, (“FTC” or “the Commission”), for its complaint
23 alleges:

24 1. The FTC brings this action under Section 13(b) of the Federal Trade Commission
25 Act (“FTC Act”), 15 U.S.C. § 53(b), to secure preliminary and permanent injunctive relief,
26 rescission or reformation of contracts, restitution, disgorgement, and other equitable relief for
27 defendants’ violations of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

28 **JURISDICTION AND VENUE**

2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1331, 1337(a) and 1345, and 15 U.S.C. §§ 45(a) and 53(b).

3. Venue in the United States District Court for the Western District of Washington is proper under 28 U.S.C. § 1391(b), and 15 U.S.C. § 53(b).

PLAINTIFF

4. Plaintiff, FTC, is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41 *et seq.* The FTC is charged, *inter alia*, with enforcement of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. The FTC is authorized to initiate federal district court proceedings to enjoin violations of the FTC Act in order to secure such equitable relief as may be appropriate in each case, and to obtain consumer redress. 15 U.S.C. § 53(b).

DEFENDANTS

5. Defendant DPS ACTIVITY PUBLISHING, LTD. (“DPS”), doing business as Healing Hands Busy Book, is a for-profit Canadian corporation with its office and principal place of business located at 307-10235 124th Street, Edmonton, Alberta, Canada. DPS maintains a mail drop at 7323 11th Avenue, NW, Seattle, Washington 98117, and thus transacts or has transacted business in the Western District of Washington.

6. Defendant DAVID P. SUGGITT, also known as DAVID SUMNER, an officer and director of DPS, conducts business from Edmonton, Alberta, Canada, through mail drop locations in the United States, including a mail location in Seattle, Washington. At all times material to this complaint, acting alone or in concert with others, defendant David P. Suggitt has formulated, directed, controlled or participated in the deceptive acts and practices of DPS as set forth in this complaint. David P. Suggitt transacts or has transacted business in the Western District of Washington.

7. Defendant TABEA SUGGITT, a director of DPS, conducts business from Edmonton, Alberta, Canada, through mail drop locations in the United States, including a mail location in Seattle, Washington. At all times material to this complaint, acting alone or in concert with others, defendant Tabea Suggitt has formulated, directed, controlled or participated

1 in the deceptive acts and practices of DPS as set forth in this complaint. Tabea Suggitt transacts
2 or has transacted business in the Western District of Washington.

3 8. Defendant MARY ANN WILSON-RENNICK, also known as MARY ANN
4 WILSON, an officer and/or employee of DPS, conducts business from Edmonton, Alberta,
5 Canada, through mail drop locations in the United States, including Seattle, Washington. At all
6 times material to this complaint, acting alone or in concert with others, defendant Wilson-
7 Rennick has formulated, directed, controlled or participated in the deceptive acts and practices of
8 DPS as set forth in this complaint. Wilson-Rennick transacts or has transacted business in the
9 Western District of Washington.

10 **COMMERCE**

11 9. At all times material to this complaint, defendants have maintained a substantial
12 course of trade in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act,
13 15 U.S.C. § 44.

14 **DEFENDANTS’ BUSINESS ACTIVITIES**

15 10. Since at least 2002, defendants have solicited small businesses in the United
16 States and Canada to purchase children’s activity books that are then purportedly donated to
17 local hospitals. The activity book, which defendants publish and sell for \$5 U.S. each, contains
18 pages for coloring, puzzles, and games for children.

19 11. Defendants’ telemarketers call small businesses and solicit purchases of the books
20 by representing that defendants are affiliated with one or more local hospitals or are authorized
21 by those hospitals to solicit purchases of the activity books for donation to the hospitals’ waiting
22 rooms and pediatric wards. Defendants tell the businesses that the books that they purchase will
23 go to the hospitals with a sticker or logo on the cover indicating the name of the business that
24 donated that particular book. Defendants further represent that the books will be distributed to
25 children in the hospitals.

26 12. After the businesses agree to purchase defendants’ activity books, defendants
27 typically send them an invoice for the amount of the purchase. The businesses in the United
28 States are instructed to send their payments to addresses in Chicago, Illinois, Dallas, Texas, or

1 Seattle, Washington, each of which are private mail drops for the defendants. The mail box
2 locations then forward the money to the defendants in Canada.

3 13. Contrary to defendants' representations, defendants are not affiliated with any
4 hospitals in the United States, nor do they have agreements with or authorization from the
5 hospitals to solicit donations on their behalf. Defendants are not a charity or registered in any
6 state in the United States as a charitable organization. Many hospitals do not receive the activity
7 books paid for by the businesses. Those hospitals that do receive defendants' activity books
8 often do not distribute the books to children in the hospital because they had not authorized the
9 donation or simply do not need them. Defendants' purported fundraising campaigns harm both
10 the hospitals and the businesses solicited because businesses who wish to support their local
11 hospitals are deceived and the hospitals may be deprived of needed support from those same
12 businesses when they conduct their own fundraising projects.

13 **VIOLATIONS OF SECTION 5 OF THE FTC ACT**

14 14. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), provides that "unfair or deceptive
15 acts or practices in or affecting commerce are hereby declared unlawful."

16 **COUNT I**

17 **AUTHORIZATION OF OR AFFILIATION WITH LOCAL HOSPITALS**

18 15. In numerous instances, in connection with the sale of defendants' children's
19 activity books, defendants have represented, expressly or by implication, that they are affiliated
20 with or authorized by one or more local hospitals in the communities where they solicit
21 donations for the purchase of their children's activity books to undertake such solicitations.

22 16. In truth and in fact, in numerous instances, defendants are not affiliated with or
23 authorized by one or more local hospitals in the communities where they solicit donations for the
24 purchase of their children's activity books to undertake such solicitations.

25 17. Therefore, the representation set forth in Paragraph 15 is false and misleading and
26 constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C.
27 § 45(a).

28 **COUNT II**

FAILURE TO DELIVER BOOKS

18. In numerous instances, in connection with the sale of defendants' children's activity books, defendants have represented, expressly or by implication, that the children at one or more local hospitals in the communities where they solicit donations for the purchase of their children's activity books will receive the books purchased by local businesses.

19. In truth and in fact, in numerous instances, children at one or more local hospitals in the communities where they solicit donations for the purchase of their children's activity books do not receive the books purchased by local businesses.

20. Therefore, the representation set forth in Paragraph 18 is false and misleading and constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

21. Hospitals and consumers in many areas of the United States have suffered or are likely to suffer substantial monetary loss as a result of defendants' unlawful acts or practices. In addition, defendants have been unjustly enriched as a result of their unlawful practices. Absent injunctive relief by this Court, the defendants are likely to continue to injure local hospitals and consumers and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

22. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and other ancillary relief, including redress, disgorgement and restitution, to prevent and remedy any violations of any provision of law enforced by the FTC.

23. This Court, in the exercise of its equitable jurisdiction, may award other ancillary relief to remedy injury caused by the defendants' law violations.

PRAYER FOR RELIEF

WHEREFORE, plaintiff requests that this Court, as authorized by Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and pursuant to its own equitable powers:

1. Award plaintiff such temporary and preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of continuing injury during the pendency of this action and to preserve the possibility of effective final relief, including, but not limited to, temporary and preliminary injunctions;

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2. Permanently enjoin defendants from violating the FTC Act as alleged herein;
 3. Award such relief as the Court finds necessary to redress injury to consumers resulting from defendants' violations of the FTC Act, including, but not limited to, the rescission or reformation of contracts, the refund of monies paid, and the disgorgement of ill-gotten monies; and
 4. Award the plaintiff the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

Respectfully submitted,

WILLIAM KOVACIC
General Counsel

CHARLES A. HARWOOD
Regional Director

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Attorneys for Plaintiff
Federal Trade Commission

Dated: May ___, 2003